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No. 127

In the

Supreme Court of the United States

OCTOBER TERM, 1968

THE BASSICK COMPANY and
STEWART-WARNER CORPORATION,
Petitioners,

vs.

DAVID R. BLAKE and
EVER-LEVEL GLIDES, INC.,
Respondents.

PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE SEVENTH CIRCUIT

DUGALD S. MCDOUGALL,
THEODORE R. SCOTT,
135 South La Salle Street,
Chicago, Illinois 60603,

AUGUSTUS G. DOUVAS,
1826 Diversey Parkway,
Chicago, Illinois 60614
Attorneys for Petitioners.

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PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE SEVENTH CIRCUIT

Petitioners pray that a writ of certiorari issue to review the judgment of the United States Court of Appeals for the Seventh Circuit in its case No. 16213.

OPINIONS BELOW

The opinion of the Court of Appeals is reported at 157 USPQ 71 and reprinted as Appendix A to this petition (1a, *infra*).

The opinion of the District Court for the Northern District of Illinois is reported at 262 F.Supp. 910 and reprinted as Appendix C to this petition (14a, *infra*); the District Court's findings of fact and conclusions of law and its final judgment appear at pages 39 through

85 of the appendix to respondents' brief in the Court of Appeals.*

JURISDICTION

The judgment of the Court of Appeals, printed as Appendix B to this petition (12a, *infra*), was entered on February 26, 1968. This Court has jurisdiction under 28 U.S.C. §§ 1254(1) and 2101(c).

QUESTION PRESENTED

An important question of public policy regarding administrative actions of government agencies is presented by this case. In its broadest sense, that question is:

> Where an administrative agency of the United States government has taken the specific action sought in a petition which contains a misrepresentation regarding a material fact, is the administrative action valid nonetheless? Or should it be held void upon proof of the misrepresentation in a subsequent judicial proceeding?

The particular governmental agency involved in this case is the Patent Office, and the specific question presented by the evidence introduced in the District Court is:

> Where a license retroactively authorizing the filing of a foreign patent application has been granted by the Patent Office upon a sworn statement which contains misrepresentations regarding a fact material to

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* Hereafter, the appendix to respondents' brief in the Court of Appeals is referred to by the abbreviation "R.A.", the appendix to petitioners' brief in that Court is referred to by the abbreviation "P.A.", petitioners' exhibit book is referred to by the abbreviation "P. Ex. Bk." (followed by the designation of the particular exhibit referred to), petitioners are referred to as "Bassick" or "Stewart-Warner", and respondents are referred to as "Blake" or "Ever-Level".

the Office's determination as to whether the foreign application had been filed "inadvertently" within the meaning of the applicable statute, is the retroactive license valid even so? Or, upon proof of the misrepresentation, should the license have been held void—and the U.S. patent corresponding to the foreign application also held invalid, as issued without the license required by the Patent Act?

STATUTORY PROVISIONS INVOLVED

The statutory provisions involved in this case are §§ 184 and 185 of the Patent Act (35 U.S.C. §§ 184 and 185), the pertinent parts of which provide:

"184. Filing of application in foreign country

Except when authorized by a license obtained from the Commissioner a person shall not file or cause or authorize to be filed in any foreign country prior to six months after filing in the United States an application for patent or for the registration of a utility model, industrial design, or model in respect of an invention made in this country . . . The license may be granted retroactively where an application has been inadvertently filed abroad and the application does not disclose an invention within the scope of section 181 of this title . . ."

"185. Patent barred for filing without license

Notwithstanding any other provisions of law any person, and his successors, assigns, or legal representatives, shall not receive a United States patent for an invention if that person, or his successors, assigns, or legal representatives shall, without procuring the license prescribed in section 184 of this title, have made, or consented to or assisted another's making, application in a foreign country for a patent or for the registration of a utility model, industrial design, or model in respect of the invention. A United States patent issued to such person, his successors, assigns, or legal representatives shall be invalid."

STATEMENT OF THE CASE

This is an action for infringement of Blake patent No. 2,704,663, covering a "Leveling Device" designed to eliminate furniture wobble caused by uneven floor conditions, with a counterclaim for infringement of a "Shock Absorber" patent acquired by Stewart-Warner after the suit had been filed (R.A. 2-5, 10-11, 248-250 and 260-265). The District Court had jurisdiction of both the original complaint and counterclaim under the patent laws of the United States and the provisions of 28 U.S.C. §§ 1338 and 1400.

Since the oath in the patent application which matured into Blake's U.S. patent contained a reference to a corresponding British application filed almost three months before the filing date of the U.S. application, counsel for petitioners naturally undertook to ascertain whether Blake had obtained the license required by § 184 of the Patent Act, authorizing the filing of his British application. Eventually, it was ascertained that Blake had *not* obtained such a license prior to the issuance of his patent or the institution of this action; it was also established that Blake had no regard for the sanctity of the oath, but would tell any story he thought helpful to his case and change his testimony to suit the exigenci s of the moment.

Blake's Story On His Pre-Trial Deposition

When Blake's first deposition was taken, shortly after the filing of this action, he gave the following testimony about the filing of his British application:

> "Q. Did you file a counterpart of the patent in suit, Defendant's Deposition Exhibit 1, in Great Britain?
>
> "A. Yes.

"Q. Did you participate with your attorney in the prosecution of that British counterpart?

"A. Only very loosely. I mean, he handled it. In fact, I think he referred it to a British attorney. He sent the papers there.

* * * * *

"Q. Do you recall why you filed this application in Great Britain on April 26, 1948, prior to your filing of the application which matured into the patent in suit, Defendant's Deposition Exhibit 1, on July 24, 1948?

"A. I don't recall the reason for that. The patent attorney handled it. I told him I wanted patents in both the United States and Great Britain, and he—I am not skilled in these matters, and I was unaware, actually, that this was filed prior. I don't recall any reason.

* * * * *

"Q. And you instructed your patent attorney to file this application, did you not?

"A. Yes" (P.A. 477-479).

In their answer to the complaint in this action, Bassick and Stewart-Warner accordingly pleaded that the Blake patent was invalid because Blake had filed his British application without first obtaining a license from the Commissioner of Patents, and because a retroactive license had not been obtained during the pendency of Blake's corresponding U.S. application (R.A. 7-8).

At the time this defense was asserted, Blake had not, in fact, obtained a license authorizing the filing of his British application, and his U.S. patent was—at the very least—in a state of quasi-invalidity for that reason. After

the defense had been asserted, however, Blake undertook to save his patent by filing a petition in the Patent Office, requesting that he be granted a retroactive license.

Blake's Story To The Patent Office

Since § 184 of the Patent Act authorized the issuance of a retroactive license only upon a showing that the foreign application sought to be licensed had been "inadvertently filed", and Blake apparently realized that he would have no basis for claiming that his British application had been "inadvertently filed" if its filing had been handled by his U.S. attorney—as he had testified at his pre-trial deposition, he told an entirely different story about the filing of his British application in the affidavit filed in support of his petition for a retroactive license (P.A. 368-371).

To begin with, Blake swore that he had *not* employed an attorney to file his British application, but had prepared the provisional specification himself and mailed it directly to the British Patent Office in London (P.A. 368). Specifically, Blake's affidavit said:

> "I did not employ an attorney for that purpose but instead prepared a British provisional specification myself, without any drawings, which I then mailed directly to the British Patent Office, in London, England . . ." (P.A. 368).

Blake also swore that he had no knowledge of the existence of any requirement for a license to file the British application, stating that he was not himself an attorney, and had not consulted with an attorney or anyone else be-

fore filing the British application. As Blake phrased it in his affidavit:

> "At the time I filed the provisional British specification on April 26, 1948 I had no knowledge of the existence of any requirements with respect to the procurement in advance from the U.S. Patent Office of a license to file. I was not an attorney and I did not consult with any attorney or anyone else before filing the provisional British specification . . ." (P.A. 370).

Finally, Blake swore that Mr. Farley—the attorney who prepared his U.S. application—did not know about the British application at the time the U.S. application was filed. Thus, Blake's affidavit stated:

> "Mr. Farley did not know of and had had nothing to do with the filing of either the provisional British specification or the complete British specification. On April 25, 1950 Mr. Farley at my request took over the prosecution of the British application and concluded the same" (P.A. 370).

In making these sworn statements, Blake completely repudiated the testimony he had previously given at his pre-trial deposition—when he did not realize the reasons for the questions put to him regarding the handling of his British application or the significance of his answers attributing both the preparation and filing of that application to his U.S. attorney.

And in swearing that Farley, the attorney who filed his U.S. application on July 24, 1948, "did not know of . . . the provisional British specification" until April, 1950, Blake obviously overlooked the specific reference to the British application contained in the combined oath, power of attorney and petition executed by him and

filed by Farley as the last page of Blake's U.S. application. (This reference to Blake's British application is clearly shown in the oath, power of attorney and petition in the U.S. application reproduced on the opposite page.)

Since the U.S. application prepared by Farley referred to Blake's earlier British application by its filing date, it is clear that Farley *did* "know of" Blake's British application when he filed the U.S. case.

Further objective proof that Farley had knowledge of Blake's earlier British application at the time he filed the corresponding U.S. application is provided by the following side-by-side comparison of portions of the British provisional specification (which Blake told the Patent Office he prepared and filed himself and of which —Blake said—Farley had no knowledge) and corresponding portions of the U.S. application (admittedly prepared and filed by Farley), which shows virtual identity between them (in this comparison, the minor differences in language are shown in italics, so that the Court can see at a glance how trivial the differences are):

Excerpts from British provisional specification (P. Ex. Bk., Ex. 24-T)	Excerpts from U.S. application (P. Ex. Bk., Ex. P)
Each of these devices, which *are* called "levelers", is made up of a metal cup or cylinder closed at the bottom, a piston and a piston rod working in the cylinder, an upper head on the cylinder through which the piston rod passes, a	*This form of the invention,* which *is* called *a* "leveler", is made up of a metal cup or cylinder *1* closed at the bottom, a piston *2* and a piston rod *3* working in the cylinder, an upper head *or cover 4* on the cylinder through which the piston

APPLICATION FOR UNITED STATES PATENT

SOLE

Oath, Power of Attorney, and Petition

Being duly sworn, I, DAVID R. BLAKE

depose and say that I am a citizen of the United States of America residing at 11415 Nottingham Road, Detroit, Michigan; that I have read the foregoing specification and claims and I verily believe I am the original, first, and sole inventor of the invention or discovery in LEVELING DEVICE

described and claimed therein; that I do not know and do not believe that this invention was ever known or used before my invention or discovery thereof, or patented or described in any printed publication in any country before my invention or discovery thereof, or more than one year prior to this application, or in public use or on sale in the United States for more than one year prior to this application; that this invention or discovery has not been patented in any country foreign to the United States on an application filed by me or my legal representatives or assigns more than twelve months before this application; and that no application for patent on this invention or discovery has been filed by me or my representatives or assigns in any country foreign to the United States, except as follows:

Great Britain, filed April 26, 1948.

And I hereby appoint I. JOSEPH FARLEY, 1854 Buhl Building, Detroit, Michigan.

Registration No. 11634; my attorney or agent with full power of substitution and revocation, to prosecute this application and to transact all business in the Patent Office connected therewith.

Wherefore I pray that Letters Patent be granted to me for the invention or discovery described and claimed in the foregoing specification and claims, and I hereby subscribe my name to the foregoing specifications and claims, oath, power of attorney, and this petition, this

23rd day of July, 1948

Inventor David (First name) R (Middle initial) Blake (Last name)

Post Office Address 11415 Nottingham Road, Detroit 24, Michigan

State of MICHIGAN
County of WAYNE } SS

Before me personally appeared DAVID R. BLAKE

to me known to be the person described in the above application for patent, who signed the foregoing instrument in my presence, and made oath before me to the allegations set forth therein as being under oath, on the day and year aforesaid.

[SEAL]

Muriel M. Harsch
Notary Public

MURIEL M. HARSCH
Notary Public, Wayne County, Michigan
My Commission Expires Feb. 14, 1951

8

This form may be executed only when attached to a complete application as the last page thereof

40589

British provisional	U.S. application
stop plate fixed to the *piston rod above the cylinder and prevented from moving down on* the piston rod *by a shoulder on it,* a coil spring between the bottom of the cylinder and the piston, *and* a filling of bouncing putty in the cylinder (P. 1, lines 19-29).	rod passes, a stop plate *5* fixed to the *upper end of* the piston rod, a coil spring *6* between the bottom of the cylinder and the piston, a filling *7* of bouncing putty in the cylinder, . . . (P. 2, lines 12-17).
The cup or cylinder may be pressed from sheet metal with the bottom and sides in one piece, and the edge where the bottom joins the sides *should be* rounded to make it easier to slide the furniture on the floor. The upper part of the slides is *joggled* out to form a shoulder *on the inside* on which the *cylinder head* rests, and the *cylinder head* is held in place by having the extreme upper edge or rim *of* the sides bent over on to it (P. 1, lines 35-44).	The cup or cylinder may be pressed from sheet metal with the bottom and sides in one piece, and the edge *1-a* where the bottom joins the side *is* rounded to make it easier to slide the furniture on the floor. The upper part of the side is *jogged* out to form a shoulder *1-b* on which the *cover 4* rests, and the *cover* is held in place by having the extreme upper edge or rim *1-c on* the side bent over onto it (P. 2, lines 20-25).
The cylinder head is a flat disc of metal with a hole in its center to let the piston rod pass through, and it may be made of hardened steel so that it will not become bent when it is being fastened to the cylinder (P. 1, lines 45-49).	The cylinder head *or cover 4* is a flat disc of metal with a hole in its center to let the piston rod pass through, and it may be made of hardened steel so that it will not become bent when it is being fastened to the cylinder (P. 2, lines 26-29).

British provisional

The piston and *the part of* the piston rod *below the shoulder on the rod* may be in one piece turned from a solid bar. This bar may be round, *in which case* it should be a little smaller in diameter than the inside of the cylinder *so that* there will be a small clearance between the piston and cylinder for the bouncing putty to flow through from one side of the piston to the other. Better than this, however, is to make the piston from a bar that is not round *and that is a nice sliding fit in the cylinder.* The piston will then be square, hexagonal, *octagonal,* or round with three or more notches or flat plaees, depending on the shape of the bar, and *the* corners will touch the sides of the cylinder and guide the piston while the spaces between the corners will let the bouncing putty flow through (P. 1, lines 50-68).

The upper part of the piston rod may be a headless nail *or screw* with its blunt end pressed into a hole in the *top of the lower part* of the piston rod.

U.S. application

The piston and the piston rod may be in one piece turned from a solid bar. This bar may be round *and* it should be a little smaller in diameter than the inside of the cylinder. *The piston will then be round, as shown at 11 in Fig. 4, and* there will be a small clearance between the piston and cylinder for the bouncing putty to flow through from one side of the piston to the other. *Perhaps* better than this, however, is to make the piston from a bar that is not round. Depending on the shape of the bar, the piston will then be square, hexagonal, or round with three or more notches or flat places, *as shown at 2, 12 and 13 in Fig. 4.,* and *dimensioned so that its* corners will touch the sides of the cylinder and guide the piston while the spaces between the corners will let the bouncing putty flow through (P. 3, lines 1-12).

The nail 8 on the end of the piston rod may be a headless nail with its blunt end pressed into a hole in the *end* of the piston rod.

British provisional	U.S. application
The stop plate is a flat disc pressed on to the nail *or screw that forms the upper part of the piston rod,* and its under side bears on the *shoulder formed by the* upper end *of the lower part* of the piston rod (P. 1, lines 69-77).	The stop plate *5* is a flat disc pressed onto the nail, and its underside bears on the upper end of the piston rod (P. 3, lines 15-18).
The spring is a spiral compression spring. It is like an ordinary helical spring, but each of its coils is enough smaller than the coil below it so that one coil can fit inside of the next. This lets the entire spring be pressed flat into the thickness of one coil, and the piston can move down further than if the coils piled up on top of each other (P. 1, lines 78-85).	The spring *6* is a spiral compression spring. It is like an ordinary helical spring, but each of its coils is enough smaller than the coil below it so that one coil can fit inside of the next. This lets the entire spring *to* be pressed flat into the thickness of one coil, and the piston can move down further than if the coils piled up on top of each other (P. 3, 19-23).
The space in the cylinder that is not taken up by the piston, piston rod and spring is filled with *a substance called* "bouncing putty". Bouncing putty is the solid elastic product of a reaction between a silicone oil and a compound of boron such as, for example, boric acid, with the addition of a filler, such *a* lithopone (P. 1, line 90, through p. 2, line 3).	The space in the cylinder that is not taken up by the piston, piston rod and spring is filled *or almost filled* with bouncing putty *7*. *Chemically,* bouncing putty is the solid elastic product of a reaction between a silicone oil and a compound of boron, such as, for example, boric acid, with the addition of a filler, such *as* lithopone (P. 3, line 28, through p. 4, line 2).

British provisional

It has a *peculiar* combination of the properties of a liquid and a solid. On the one hand, it will deform slowly under the slightest force, like a liquid, and there is no limit to how far it will deform, as long as the force applied to it is not great enough and applied suddenly enough to break it. A lump of it placed in a container will spread out and, in a few hours, cover the bottom of the container like a liquid. On the other hand, a lump of it will bounce *just* like a rubber ball (P. 2, lines 3-14).

The invention has been described above in the best form in which it has been made to date, but it is obvious that changes and perhaps even improvements can be made while still keeping the invention described. For example, the

U.S. application

Bouncing putty has a *unique* combination of the properties of a liquid and a solid. On the one hand, it will deform slowly under the slightest force, like a *very viscous* liquid, and there is no limit to how far it will deform, as long as the force applied to it is not great enough and applied suddenly enough to break it. A lump of it placed in a container will spread out *under merely its own weight* and in a few hours cover the bottom of the container like a liquid. On the other hand, *it will not flow quickly; it resists sudden forces as if it were a solid. Its rigidity under sudden forces is like that of rubber rather than like that of steel, and a round* lump of it will bounce like a rubber ball (P. 1, lines 11-20).

The invention has been described above in the best form in which it has been made to date, but it is obvious that changes and perhaps even improvements can be made while still keeping the invention described. For example, the

British provisional	U.S. application
spring might be put between the cylinder head and the stop plate, or the piston rod might be made in one piece riveted to the piston (P. 2, lines 38-46).	spring might be put between the cylinder head and the stop plate, or the piston rod *and nail* might be made in one piece riveted to the piston (P. 4, lines 21-26).

The Patent Office failed to catch either (1) Blake's patently false statement that Farley did not know of the earlier British application at the time he filed Blake's corresponding U.S. application or (2) the virtual identity between the texts of the two applications. And Blake, of course, when he filed his petition and supporting affidavit, did not tell the Patent Office he had previously sworn that the filing of the British application had been handled by his U.S. attorney, in a deposition taken only seven months earlier (P. A. 477-479). Even so, Blake's initial petition for a retroactive license was refused, on the ground that Blake's statement that he lacked knowledge of the existence of any requirement for such a license was inconsistent with the printed notice contained on the filing receipt of his U.S. application (P. A. 384-386).

Blake thereupon filed a renewed petition and supplemental affidavit, in which he stated that his attorneys had not given him the filing receipts for either his U.S. application corresponding to the British application or an earlier U.S. application he had filed, and the Patent Office then issued a retroactive license authorizing the filing of the British application (P.A. 372-378).

Blake's Story At The Trial

In view of the diametrically opposite stories which Blake had told at his pre-trial deposition and in his af-

fidavits filed in the Patent Office, he was asked again at the trial about the preparation and filing of his British patent application; on that occasion, he said:

> "*I am not certain.* But I think I prepared the original provisional specification" (P.A. 127; emphasis supplied).

Thus, Blake—who had exhibited no uncertainty whatever at his pre-trial deposition or in his affidavit filed in the Patent Office—told a different story on each of the three occasions when he made sworn statements about the preparation and filing of his British application.

The District Court's Decision

In its Decision on Merits, the District Court noted that one of the defenses asserted by Bassick and Stewart-Warner was Blake's filing of a corresponding foreign application earlier than six months after the filing of his U.S. application (Appendix C, 17a, *infra*). Commenting on this defense, the District Court stated:

> "Defendants maintain that Congressional legislative history refutes the conclusion that an issued patent could be validated by a retroactively procured license, such as Blake received. Furthermore, Blake's license is invalid because he procured it by misrepresentation. They point out that 'bouncing putty' never appeared in the original United States (abandoned) application, but first appeared in the British provisional specification. Blake stated to the Patent Office that he had prepared and filed his British provisional specification without the aid of an attorney, but his deposition reveals that his patent attorney prepared it, therefore his license is void, and consequently the patent is invalid (35 U.S.C. § 185)" (Appendix C, 24a, *infra*).

Without any further elaboration of its views on this issue, the District Court concluded:

> "Despite the many seemingly plausible legal arguments advanced by the defendants to refute validity and infringement by them of the Blake patent . . . the court is convinced that the Blake patent is valid and infringed. . ." (Appendix C, 25a, *infra*).

The findings of fact prepared by Blake's counsel and signed by the District Court are equally barren of any serious consideration or resolution of the conflicting sworn statements made by Blake regarding the preparation and filing of his British patent application. They simply recount the filing and denial of petitioners' summary judgment motions based on Blake's failure to obtain a retroactive license authorizing the filing of his British application prior to the issuance of his U.S. patent, and find that the retroactive license was duly and legally issued—without even mentioning the further defense that the license was invalid because procured through a factual misrepresentation to the Patent Office.*

Significantly, the District Court did not find that Blake had *not* made a factual misrepresentation when he swore that the attorney who filed his U.S. application "did not know of" his earlier British application. Plainly precluded from making such a finding by the express reference to that British application on the last page of the U.S. application prepared and filed by Farley, the District Court simply held the license had been duly and legally

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* In this petition, Bassick and Stewart-Warner do not contend that the District Court erred in its construction of 35 U.S.C. §§ 184 and 185, but they insist that a license procured through a factual misrepresentation should be held void, upon proof of the misrepresentation in a subsequent judicial proceeding.

issued *despite* Blake's obvious misrepresentation to the Patent Office.

The Court Of Appeals' Decision

Like the District Court, the Court of Appeals also refused to say that Blake had not made a factual misrepresentation to the Patent Office, in his affidavit in support of the petition for a retroactive license under 35 U.S.C. § 184, but merely said that it saw "no reason to upset the district court's conclusion that the retroactive license was valid" (Appendix A, 5a, *infra*).

The Court of Appeals did set forth its views about the many lengthy passages that are completely or substantially identical in *both* the British provisional specification (which Blake said he prepared and filed himself and of which—Blake told the Patent Office—his U.S. attorney, Farley, had no knowledge) and the U.S. application (admittedly prepared and filed by Farley) in the following remarkable footnote:

> "We are not persuaded that the excerpts in parallel claims from the provisional British application and the United States application in 1948 displayed in Stewart-Warner's reply brief show that Blake's sworn statements to the Patent Office and his testimony are 'unbelievable fabrications.' Blake testified that he prepared the provisional British application, and his attorney helped him prepare the United States application. The latter, in general, has a more professional like appearance with number references, presumably to figures, in specifications. The provisional has no reference to numbers and is phrased less concisely. This appears to be consistent with the Blake explanation" (Appendix A, 5a, *infra*).

There is, of course, a much better explanation than that given by Blake for the use of number references in the

U.S. application and their absence from the British provisional specification: As the Court of Appeals observed, the numbers refer to figures in the drawings—*and the British provisional specification contained no drawings.* Thus, the quoted footnote from the Court of Appeals' opinion reflects either a rather startling naiveté or a stubborn unwillingness to recognize the real significance of the identical and substantially identical passages in Blake's U.S. and British applications—i.e., that Blake was lying when he swore to the Patent Office that "Mr. Farley did not know of . . . the provisional British Specification."

The opinion of the Court of Appeals also contains the interesting—though completely unfounded—statement that the District Court:

> ". . . accepted Blake's story that he lacked knowledge of Sec. 184, that he prepared the *provisional specification* for the British application himself and that he hired a United States engineer to complete the specification; that his United States attorney did not know of the British patent when filing the 1948 patent application and he probably assumed that the British patent application was based on a disclosure in the 1946 Blake application, and that Blake did not receive the receipts, for the 1946 and 1948 applications, containing notice of the Sec. 184 provision . . ." (Appendix A, 5a, *infra;* emphasis in original).

The District Court's Decision on Merits contains absolutely no support for this statement; indeed, even the findings of fact prepared by Blake's counsel fail to support it (Appendix C, 14a-26a, *infra;* R.A. 39-85).

There is, moreover, nothing to indicate that Blake would have been granted a retroactive license upon the basis of the representations alluded to by the Court of Appeals

in the foregoing quotation from its opinion, if the Patent Office had been aware that Blake's U.S. attorney, Farley, had knowledge of Blake's British application.

On the contrary, the decision of the Commissioner of Patents in *In re Application filed November 22, 1952* (Comr. Pats., 1967), 153 USPQ 410, denying the request for a retroactive license filed by the owner of the Frediani patent held invalid by the Court of Appeals for the Seventh Circuit in *Beckman Instruments, Inc.* v. *Coleman Instruments, Inc.* (1964), 338 F.2d 573, clearly indicates that the Patent Office would have *refused* to grant a retroactive license to Blake if it had realized that his U.S. attorney knew about Blake's prior British application, yet failed to apply for a license retroactively authorizing its filing.

REASONS FOR GRANTING THE WRIT

In condoning the procurement of a vital administrative action through factual misrepresentations and perjury, the decision of the Court of Appeals in this case has so far departed from the accepted and usual course of judicial proceedings—and has so far sanctioned such a departure by the District Court—as to call for the exercise of this Court's power of supervision.

There is, moreover, a fundamental conflict between (a) the Court of Appeals' decision in this case, holding that the retroactive license which Blake obtained from the Patent Office upon a petition and supporting affidavit containing factual misrepresentations was nonetheless duly and legally issued, and (b) this Court's decisions holding patents invalid or enforceable because of unclean hands or misrepresentations on the part of the patentee

or patent owner (*Keystone Driller Co.* v. *General Excavator Co.* (1933), 290 U.S. 240, *Hazel-Atlas Glass Co.* v. *Hartford-Empire Co.* (1944), 322 U.S. 238, *Precision Instrument Manufacturing Co.* v. *Automotive Maintenance Machinery Co.* (1945), 324 U.S. 806, and *Walker Process Equipment, Inc.* v. *Food Machinery & Chemical Corp.* (1965), 382 U.S. 172).

I. When An Administrative Determination Has Been Made Upon An Ex Parte Petition Or Sworn Statement Which Contains Misrepresentations Regarding A Material Fact, The Administrative Action Should Be Held Void Upon Proof Of The Misrepresentation In An Adversary Proceeding.

The fundamental question presented by this petition involves principles that are applicable to ex parte administrative actions of all governmental agencies—not just decisions made by the Patent Office upon petitions for the grant of a retroactive license under § 184 of the Patent Act.

Throughout the United States, on every working day, scores of government agencies make thousands of such administrative decisions upon the basis of ex parte representations which are—and must be—accepted at face value, because the agencies have neither the facilities nor the time to check the representations for factual accuracy.

Under these circumstances, elementary principles of justice demand that a federal court in which an administrative decision has been challenged should set the decision aside as void, upon proof that it was obtained through a petition or a sworn statement containing misrepresentations regarding a fact material to the decision.

In this case, however, the Court of Appeals—like the District Court—refused to hold that the retroactive license

issued to Blake by the Patent Office was void, even though Blake's misrepresentations and perjury regarding a material fact were conclusively proved by the following evidence:

1. The express reference to Blake's British application on the last page of the U.S. application prepared by Farley, which established that Farley *did* know of the British application at the time he filed Blake's U.S. application—contrary to Blake's sworn statement to the Patent Office.

2. The appearance of the many identical and substantially identical passages in the texts of both Blake's British provisional specification and his U.S. application, which cannot be explained away as a mere coincidence, and unquestionably shows that Farley not only knew about the British application, but had access to the text of the provisional specification at the time he prepared and filed the U.S. application—again contrary to Blake's sworn statement to the Patent Office.

3. The testimony given by Blake at his pre-trial deposition, when he was unaware that his patent might be held invalid because he had not obtained the retroactive license required by § 184 of the Patent Act; on that occasion, Blake had no conceivable reason to lie and he obviously told the truth when he swore that the preparation and filing of the British application had been handled by his U.S. attorney; his subsequent sworn statements that he had prepared and filed the British application himself and that his U.S. attorney knew nothing about it, made in his affidavit to the Patent Office, were obviously motivated by Blake's self-interest in presenting

the Patent Office with a story that would provide some basis for an administrative determination that his British application had been inadvertently filed abroad.

In holding that the retroactive license obtained by Blake had been duly and legally issued, in the face of the foregoing evidence, the Court of Appeals—like the District Court—in effect condoned the misrepresentations which Blake made to the Patent Office and placed its stamp of approval on his perjury.

Such a decision by any federal court is, to say the least, not calculated to increase respect for the law in this country, at a time when respect for law and order is sorely needed. Indeed, if federal judges are permitted to close their eyes to misrepresentations and perjury because they believe a particular statute is unwise or has outlived its usefulness, how can any segment of society be expected to obey laws which its members consider to be unjust or objectionable?

The litigants who come before the federal courts have a right to expect that laws duly enacted by the Congress will be enforced and applied by those courts.*

When the lower federal courts arbitrarily refuse to enforce and apply duly enacted laws, this Court has a duty to exercise its supervisory authority to require them to do so.

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* The administrative agencies charged with the execution of such laws also have a right to expect that ex parte petitions filed with them will not contain misrepresentations and that their decisions will not be regarded as binding or valid if they are shown to have been procured upon misrepresentations.

The Court should discharge that duty—and, at the same time, insure that the Court of Appeals' decision will not become a precedent for holding administrative rulings procured through misrepresentations valid nonetheless—by granting this petition for certiorari and reversing the decision of the Court of Appeals.

II. The Decision Of The Court Of Appeals Is In Conflict With Prior Decisions Of This Court Holding Patents Invalid Or Unenforceable Because Of A Patentee's Misrepresentations Or Unclean Hands.

Over the past 35 years, a series of decisions by this Court has made it clear that patents tainted by unclean hands or misrepresentations on the part of the patentee or patent owner should be held invalid or unenforceable, upon proof of the unclean hands or misrepresentation in a subsequent judicial proceeding (*Keystone Driller Co.* v. *General Excavator Co.* (1933), 290 U.S. 240, *Hazel-Atlas Glass Co.* v. *Hartford-Empire Co.* (1944), 322 U.S. 238, *Precision Instrument Manufacturing Co.* v. *Automotive Maintenance Machinery Co.* (1945), 324 U.S. 806, and *Walker Process Equipment, Inc.* v. *Food Machinery & Chemical Corp.* (1965), 382 U.S. 172).

The rationale of these decisions was succinctly expressed by the Court in the *Hazel-Atlas* case:

> "The public welfare demands that the agencies of public justice be not so impotent that they must always be mute and helpless victims of deception and fraud" (322 U.S. 246).

In this case, as in *Hazel-Atlas,* the evidence "demands the exercise of the historic power of equity to set aside [Blake's] fraudulently begotten" retroactive license and invalidate the Blake patent under the provisions of § 185 of the Patent Act.

Both the Court of Appeals and the District Court, however, refused to exercise this equitable power—though neither of them would find or hold that Blake had *not* made a factual misrepresentation to the Patent Office when he swore that the attorney who filed his U.S. application "did not know of" Blake's earlier British application, and the evidence before them conclusively established that Blake's attorney actually had such knowledge.

Nor can this case be distinguished from the controlling decisions of this Court on the ground that Blake's misrepresentations were not made in connection with the prosecution of his U.S. patent application, but only after the patent had been issued and in connection with a petition for a statutory license required to keep the patent from being held invalid.

The decision in *Minnesota Mining & Manufacturing Co.* v. *Norton Company* (N.D. Ohio, 1967), 153 USPQ 449, makes this clear; it holds that the issuance of a retroactive license by the Patent Office under § 184 of the Patent Act is subject to judicial review, and states that the reviewing court should declare such a license invalid unless the patentee presents proof of true inadvertence in the unlicensed filing of his foreign application (153 USPQ 450).

At the trial of this case, Blake did not—and could not—present such proof; the retroactive license granted to him should accordingly have been held invalid, as a matter of law, and the Blake patent itself also held invalid under the plain language of § 185 of the Patent Act, for the lack of a valid license authorizing the filing of the corresponding British application.

The same decision—a holding that both Blake's retroactive license and U.S. patent are invalid—was also re-

quired by the equitable doctrine of unclean hands on which this Court has repeatedly held patents invalid or unenforceable (*Keystone Driller Co.* v. *General Excavator Co.* (1933), 290 U.S. 240, *Hazel-Atlas Glass Co.* v. *Hartford-Empire Co.* (1944), 322 U.S. 238, *Precision Instrument Manufacturing Co.* v. *Automotive Maintenance Machinery Co.* (1945), 324 U.S. 806, and *Walker Process Equipment, Inc.* v. *Food Machinery & Chemical Corp.* (1965), 382 U.S. 172).

Thus, the petition for certiorari in this case should also be granted because the Court of Appeals' decision is in conflict with the controlling decisions of this Court regarding the significance of misrepresentations to the Patent Office and unclean hands on the part of a patentee.

Respectfully submitted;

DUGALD S. MCDOUGALL,
THEODORE R. SCOTT,
135 South La Salle Street,
Chicago, Illinois 60603,

AUGUSTUS G. DOUVAS,
1826 Diversey Parkway,
Chicago, Illinois 60614,
Attorneys for Petitioners.